



Yum China Inaugurates Digital R&D Center to Further Implement Digital Strategy

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SHANGHAI, Oct. 20, 2021 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) announced the opening of its Digital R&D Center with three sites in Shanghai, Nanjing, and Xi'an. The inauguration of the Digital R&D Center represents an important milestone for the Company's strategy to build a dynamic digital ecosystem comprised of 1) the Digital R&D Center, 2) joint venturing, and 3) third party collaboration, to provide a solid foundation for Yum China to further develop its brands and businesses, accelerate expansion and capture market opportunities.

The Digital R&D Center will consolidate and expand dedicated resources to develop new solutions and services using technologies in big data, artificial intelligence (AI), middle office and digital SaaS to drive end-to-end digitalization. The Digital R&D Center will bolster Yum China's in-house digital capabilities across various functions, such as:

- Consumer-facing: to improve Super Apps, mini programs and membership programs to provide higher quality service and customer experience.
- Store operations: to upgrade systems and tools for more efficient operations and decision making, such as our digital tools for restaurant general managers, "Pocket Manager" and "Super Brain."
- Smart delivery: to further optimize delivery order queuing, trade zones, and rider routing.
- Supply chain management: to enhance food safety and streamline operations from farm to fork.



"Digitalization is one of the key enablers behind Yum China's resiliency and long-term development as we move toward our next milestone of 20,000 stores," said Joey Wat, CEO of Yum China. "The Digital R&D Center is an important part of our investment strategy as we apply cutting-edge technologies to digitally transform stores and drive operational excellence."

"Evolving consumer behavior, such as increased off-premise dining, and the Company's accelerated development, place more demand on our R&D capabilities," said Leila Zhang, Chief Technology Officer of Yum China. "We believe the establishment of the Digital R&D Center will significantly strengthen Yum China's internal digital capabilities and support sustainable business growth by using advanced technology for real life applications."



As a pioneer of digitalization in the restaurant industry in China, Yum China launched a digital program several years ago. With the establishment of the Digital R&D Center, the Company will have more dedicated resources in its restaurant operations for building topnotch digital infrastructure. The Company will continue to cooperate with external partners such as scientific research institutions and other industry leaders to implement leading edge technology.

Yum China has earmarked \$1-1.5 billion of investment over the next five years in digital and technology. As an integral part of this initiative, the Company plans to invest approximately \$100-200 million and to employ up to 500 staff in the Digital R&D Center to support the company's growth over the next five years. The Digital R&D Center in Shanghai, Xi'an and Nanjing will be able to tap into the large talent pool at the top universities in these cities. With additional resources, the Company will further enhance our digital capabilities, as well as accelerate innovations and implementation.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "aim," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "should," "forecast," "outlook," "look forward to" or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or assumptions will be achieved. The forward-looking statements included in this press release are only made as of the date of this press release, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q) for additional detail about factors that could affect our financial and other results.

About Yum China Holdings, Inc.

Yum China Holdings, Inc. is a licensee of Yum! Brands in mainland China. It has exclusive rights in mainland China to KFC, China's leading quick-service restaurant brand, Pizza Hut, the leading casual dining restaurant brand in China, and Taco Bell, a California-based restaurant chain serving innovative Mexican-inspired food. Yum China also owns the Little Sheep, Huang Ji Huang, East Dawning and COFFii & JOY concepts outright. In addition, Yum China has partnered with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 11,023 restaurants in over 1,500 cities at the end of June 2021. Yum China ranked # 363 on the Fortune 500 list and was named to TIME100 Most Influential Companies list in 2021. Yum China has been named the Industry Leader for the Restaurant & Leisure Facilities Industry in the 2020 Dow Jones Sustainability Indices. In 2021, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2021 in China by the Top Employers Institute, both for the third consecutive year. For more information, please visit <http://ir.yumchina.com>.

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